



# NEWS RELEASE

**FOR IMMEDIATE RELEASE**

May 12, 2011

Contact: Tom Dresslar/916.653.2995

## **Treasurer Lockyer Calls GOP Budget Plan Gimmick-Filled Recipe for Continued Failure That Would Threaten Economic Recovery**

SACRAMENTO – State Treasurer Bill Lockyer issued the following statement on the State Budget plan unveiled today by Assembly Republicans:

“This plan is not a solution. It’s a recipe for continued failure, jam-packed with gimmicks, one-time solutions and illusory savings. Instead of offering a long-term solution that gets California back on firm fiscal footing, this plan essentially endorses the irresponsible practices that have shoved our state deeper and deeper into a fiscal hole and subjected us to worldwide ridicule.

“The folks who offer this plan pretend our longer-term budget gaps don’t exist. Or maybe they think Tinkerbell will fly in and make the shortfalls vanish with pixie dust. Even assuming the additional revenues they project materialize in the budget year, most are likely to disappear after that. And we’ve got more than \$30 billion in budget borrowing and unfunded liabilities on our ledger.

“Aside from being fiscally foolish, the Republican plan would threaten California’s economic recovery. The bond market would see this plan for what it is: more fantasy budgeting, more fiscal mismanagement, and another blown opportunity to get our financial act together. Rating agencies would see that it’s not responsibly balanced. My office would be hard-pressed to sell bonds under those circumstances. If we can’t sell bonds, that could shut down thousands of public works projects across the state, and throw thousands of workers out of a job.

“We’ve had enough fairytale budgeting. We need reality-based budgeting and a long view. That’s what the Governor’s plan offers California.”

###